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February 29, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K. Street, N.W.
Washington, D. C. 20423-0001

RECEIVED
FEB 29 2000
Part of
Public Record

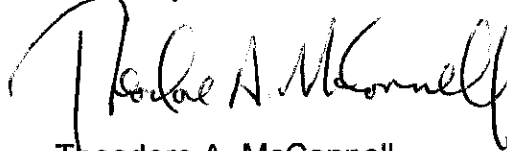
Theodore A. McConnell
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tmcconnell@kl.com

Re: STB Ex Parte No. 582; Utah Railway Company

Gentlemen:

Enclosed please find an original and ten copies of a "Comment on Major Rail Consolidations" filed on behalf of Utah Railway Company in Ex Parte No. 582. In addition to the enclosed documents, enclosed also please find an electronic copy of our filing in the format specified by the Board.

Sincerely,



Theodore A. McConnell

TAMc/jam
Enclosures

197180



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

EX PARTE NO. 582

UTAH RAILWAY COMPANY

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Comment on Major Rail Consolidations

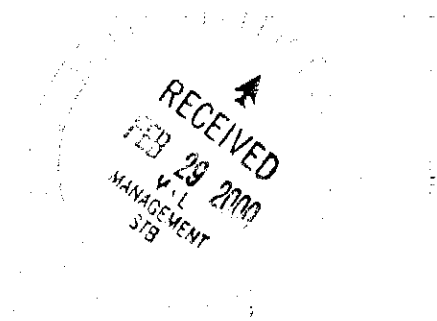
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Pittsburgh, Pennsylvania 15222

**ATTORNEYS FOR
UTAH RAILWAY COMPANY**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

EX PARTE NO. 582

UTAH RAILWAY COMPANY



Comment on Major Rail Consolidations

Pursuant to the notice issued by the Surface Transportation Board (the "Board") in Ex Parte 582, UTAH Railway Company, a UTAH corporation ("UTAH"), files this Comment on Major Rail Consolidations.

The Board has invited comment from interested parties with respect to the downstream and "crossover" effects that may occur in the wake of the proposed consolidation of Burlington Northern Santa Fe and Canadian National Railway (the "BNSF/CN Case"). By its nature, Ex Parte No. 582 necessarily invites comment on an extraordinarily broad range of issues that may arise in the course of further consolidations in the railroad industry. The principal concern of UTAH in this matter is with regard to the area known generally as the Central Corridor route between Stockton, California and Kansas City, Missouri (the "Central Corridor"). The particular concerns of UTAH are with respect to the long-term state of competition and access in the Central Corridor.

At this time, there is of course no proceeding before the Board which presents specific issues in this regard. Accordingly, UTAH will exercise this opportunity to go on record with its views regarding the conditions that should prevail in the Central Corridor where UTAH has been active for approximately eighty-eight years.

Three Versus Two Carriers.

The BNSF/CN Case has fueled the already widespread speculation concerning the final configuration of the railroad industry. The general tenor of this speculation is of course that the railroad industry may be moving towards a final rail industry structure consisting of two Class I carriers. In UTAH's view, this speculated final structure would be a very negative development for the rail industry and for businesses and communities that depend on rail. This is UTAH's view generally and specifically with the impact that this development could have on the Central Corridor.

Under current conditions, both BNSF and UP have a presence in the Central Corridor as a result of the Board's decision in Finance Docket No. 32760, *Union Pacific Corporation et al.* UTAH has a very basic concern that a final industry structure consisting of two Class I railroads would have a profoundly negative effect on competitive conditions in the Central Corridor.

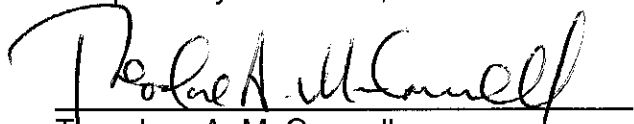
It is the goal of UTAH to continue to participate in a competitive environment in the Central Corridor and to seek opportunities to extend its activities.

Regional and Short Line Railroads.

A competitive rail industry depends upon the viability of and the service provided by a substantial number of regional and short line railroads. In many cases, these carriers can provide a high level of service available at a price which is key to making rail an attractive alternative for shippers. In the context of the consolidation of the rail industry, the interests of regionals and short lines can be placed in jeopardy. Accordingly, UTAH urges the Board to ensure in future proceedings that the status of regional and short line railroads be accorded the highest level of attention with an eye toward preserving and strengthening these carriers.

In the case of the Central Corridor, service is now provided there by two Class I long-haul carriers. Their access to shippers is complemented by UTAH. UTAH would oppose changes to the competitive balance in the Central Corridor which could be a part of the downstream effects of the ongoing restructuring of the rail industry.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Theodore A. McConnell', is written over a horizontal line.

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Attorneys for UTAH Railway Company

DATED: February 29, 2000